

NOVEMBER 2019

THE EDUCATED INVESTOR

A GUIDE TO RETIREMENT PLANNING

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Is a High-Deductible Plan Right for You?

“Save thousands on health insurance.” “Cut your premiums in half.” We’ve all seen the ads for high-deductible health plans (HDHPs), touting their low rates. But do lower rates mean less coverage? And if they are so good, why do so few workers opt for them?

Like traditional health care plans, HDHPs usually cover a wide range of medical and prescription costs -- but only after a steep annual deductible has been paid. Such deductibles can run from as low as \$1,150 for individual coverage, to upwards of \$7,500 for family coverage, depending upon the plan. These plans seek to drive down healthcare costs by placing more of the responsibility and cost burden on consumers, in effect, forcing them to be more cost-conscious when deciding on medical care.



HDHPs generally appeal more to healthier people with no chronic ailments that require regular care. That's

because high-medical-maintenance individuals are likely to end up burning through the entire deductible, effectively upping the costs above low-deductible plans. For instance, an HDHP with a monthly rate that is \$100 less than a low-deductible plan will end up costing more if you end up shelling out over \$1,200 before you use up the deductible.

Coupling With a Health Savings Account

HDHPs are often used with Health Savings Accounts (HSAs) -- tax-preferred savings accounts that are used to fund qualified medical expenses. Enrollees or their employers make tax-free contributions to an HSA, then use the funds to purchase medical care until they reach their deductibles.

You are eligible for an HSA if you meet four qualifying criteria: (1) you are enrolled in a qualified HDHP, (2) you are not covered by another disqualifying health plan (whether insurance or an uninsured health plan), (3) you are not eligible for Medicare benefits, and (4) you are not a dependent of another person for tax purposes. You must meet all four of these criteria to qualify.

The maximum contribution to an HSA for 2017 is \$3,400 if you have single coverage, or \$6,750 if you have family coverage. If you are over age 55 then you can contribute an additional \$1,000 in 2017 regardless of whether you have single or family coverage. Such contributions are made on a before-tax basis, meaning they reduce your taxable income. Note that unlike

IRAs and certain other tax-deferred investment vehicles, no income limits apply to HSAs.

HSAs offer investment options that differ from plan to plan, depending upon the provider. What's more, HSA account balances carry over from year to year, unlike their predecessors, Medical Savings Accounts (MSAs), which contained a "use it or lose it" feature that severely limited their usefulness for most people. Earnings on HSAs are not subject to income taxes.

Any medical, dental, or ordinary health care expense that would qualify as a tax-deductible item under IRS rules can be covered by an HSA. A doctor's bill, dental procedures, and most prescriptions are examples of covered items. See IRS Publication 502 for a definitive guide of what costs are covered. If funds are withdrawn for any other purpose than qualifying health care expenses, however, you will be required to pay ordinary income taxes on amounts withdrawn plus a 10% additional federal tax.



Questions to Consider before Choosing an HDHP

Coverage: What types of care are or are not covered? Are prescriptions covered? How about physical therapy? Is there a limit on doctor visits? Is preventive care excluded from the deductible? Coverage will differ from plan to plan. Look for specific options that are applicable to you or your family.

Caps on Coverage: Is there a limit on hospitalization costs or lifetime coverage? Is it high enough to cover costs for unforeseen issues such as a heart attack



or treatment for chronic ailments? More serious procedures can cost many thousands and use up a lifetime limit quickly.

Copays: Is there a high copay percentage? What does it apply -- or not apply -- to? The cheapest plans usually have the highest deductible and the largest copay percentage.

HSA Eligibility: Does the plan qualify as an HDHP under IRS rules? The IRS sets limits as to what qualifies as an HDHP. For 2016, a plan can be considered an HDHP only if its deductible is at least \$1,300 for a single individual or \$2,600 for a family. Make sure to check if an HSA plan option applies.

Selection: How extensive is the preferred provider network? Does it offer adequate selection in your area? What is the coverage for out-of-network providers?

If you're considering a high-deductible plan, talk to your insurance agent or employer health care administrator who can help you select the type of plan that best suits your specific needs. Additional information may also be found at healthcare.gov.

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| Volunteer Vacations

They could be among the most memorable journeys you take.



Travel with a difference: the essence of the volunteer vacation. You take the trip, you help make the difference for others, and perhaps you see the world differently as a byproduct. If you are thinking about combining travel with some service, there are things you should know.

Know the various options. If you're traveling solo, you'll commonly work alongside locals on a community-organized project, and live in dorm-style lodging with other participants. If you have a young family, a homestay may be arranged with a host couple or family, or personal accommodations could be scheduled for you; the service aspect can often be tailored to the interests and abilities of the kids. Animal lovers often work in shelters or in conservation management programs.

How can you book a service vacation? Travel agents and tour companies guide the way. You can even book one through groups such as REI, Discover Corps, Global Volunteers, and the Sierra Club. Some hotels and resorts will give you a huge discount if you are part of a volunteer effort. Be sure to ask what percentage of your fees will go to the local community

(and not to organizational overhead).

Some trips emphasize tourism with a bit of volunteering. Often people can only volunteer for a day or two, not a week or month. A new class of vacations responds to that reality. Agencies such as Namu Travel, specializing in trips to the Caribbean and Latin America, structure trips this way; Carnival is even doing this on its cruises to the Dominican Republic.¹

Source/Disclaimer:

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. This information is not intended to be a substitute for individualized legal advice. Please consult your legal advisor regarding your specific situation.

1- ABCNews.com, "Giving Back While Getting Away: 3 Volunteer Vacation Trends", September 28, 2016

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November Special Days & Holidays (Long-Term Care Awareness Month)

2nd- Book Lovers Day

3rd- Daylight Savings Time Ends

10th- International Accounting Day

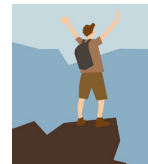
10-17th- Fraud Awareness Week

11th- Veterans Day

17th- Take a Hike day

28th- Thanksgiving

29th- Black Friday



*Special Thanks to our
Veterans!*

Happy
Thanksgiving

Pumpkin Pie Recipe



What's in Season for November?



Winter Squashes



Cranberries



Brussels Sprouts

Apples
Avocados
Bananas
Beets
Bok Choy
Broccoli
Cabbage
Carrots
Cauliflower
Celery

Citrus
Grapes
Greens
Kiwi
Leeks
Lemons/Limes
Mango
Mushrooms
Parsnips
Pears

Pomegranates
Potatoes
Pumpkins
Rutabagas
Strawberries (FL)
Sweet Onions
Sweet Potatoes
Turnips

INGREDIENTS:

- 2 eggs
- 1/2 teaspoon vanilla
- 3/4 cup sugar
- 1 teaspoon ground cinnamon
- 1/2 teaspoon ground ginger
- 1/2 teaspoon salt
- 1/4 teaspoons ground cloves
- 15 ounces pure pumpkin (1 can)
- 1 1/4 cup evaporated milk
- 1 unbaked pie crust
- Whipped cream for topping

INSTRUCTIONS:

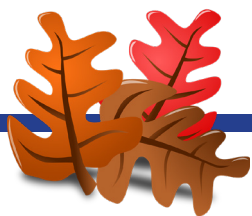
Preheat oven to 425°F.

1. Beat eggs in a large bowl. Add vanilla, sugar, salt, cinnamon, ginger, and cloves and mix until combined. Stir in pumpkin. Gradually stir in evaporated milk until the mixture is smooth.
2. Pour mixture into pie shell. Then place pie tin on a baking sheet and place in the oven to bake for 40-55 minutes or until the center is done. Place a knife in the center to make sure it comes out clean. Cover the crust with foil the last 20 minutes of baking so it doesn't get too brown.
3. Serve immediately or refrigerate. Top with whip cream.

SERVINGS: 8

TIME: 1 hour 10 minutes

Sources: <https://www.iheartnaptime.net/pumpkin-pie-recipe/>; Produceforkids.com



The Sudoku Section



5	6	7	8	9				
		8						5
					2			
		3		2			8	7
8	4		7		6		5	
					3	2		
	2	5				4	9	3
						5		
							2	6

9	2	8	1	4	5	9	7	3
1	7	5	9	3	2	4	8	6
3	9	4	8	7	6	5	2	1
4	1	2	3	8	9	6	5	7
9	5	3	6	1	7	2	4	8
7	8	6	5	2	4	3	1	9
8	6	7	2	5	3	1	9	4
5	4	9	7	6	1	8	3	2
5	6	2	9	4	1	8	7	3

The answers



Source: www.printmysudoku.com